

# The Idaho Decision Unit (DU) Budget Model

## Benchmark 1



**FY 2007 Original Appropriation:** The amount appropriated last session for the current fiscal year, which began July 1, 2006, and runs through June 30, 2007. It is the amount of spending authority specified in the original appropriation bill.

*Decision Units  
adjusting current  
year Appropriation*

**Reappropriation:** An appropriation is usually good for only one fiscal year. However, in some instances, the Legislature allows an agency to carryover unexpended balances to the next fiscal year, thus increasing the total appropriated spending authority over the amounts designated in the original appropriation bill.

**Supplemental Appropriation:** These are generally requests for additional funding in the current fiscal year to address unforeseen emergencies. However, supplementals may also be used to delete funds (**rescissions**) or transfer funding between expenditure classes, funds, programs or agencies.

## Benchmark 2



**FY 2007 Total Appropriation:** The amount specified in the original appropriation bill plus reappropriations (carryover), supplemental appropriations and other adjustments made by the Legislature.

*Decision Units  
adjusting  
current year  
Expenditures*

**Expenditure Adjustments:** Agencies can adjust their appropriations, within legislatively approved guidelines, to accurately reflect the way the money will likely be expended. Adjustments can include Executive Holdbacks, Board of Examiner's actions, recording receipts to appropriations, recording non-cognizable funds, transfers between expenditure classes, and transfers between programs.

## Benchmark 3



**FY 2007 Estimated Expenditures:** The expenditure class detail (personnel costs, operating expenditures, capital outlay, and trustee & benefit payments) of how an agency intends to expend its current year appropriation. Includes the total appropriation plus all current year adjustments.

*Decision Units  
adjusting current  
year Base*

**Base Adjustments:** This is where funding provided for one-time (non-recurring) purchases for the current year is removed from an agency's budget, and where across-the-board base reductions or funding holdbacks are made. These adjustments also allow an agency to reflect minor reorganizations in its operations for the coming fiscal year by transferring funds between programs or summary objects.

## Benchmark 4



**FY 2008 Base:** The Base is the major benchmark in the appropriations process. The Base reflects current year estimated expenditures plus base adjustments minus one-time funding. It is the starting point in building an agency's appropriation for the next fiscal year.

*Decision Units  
adjusting  
Maintenance of  
Current  
Operations  
(MCO) service  
level for next  
fiscal year*

**Change in Benefit Costs:** These are increases in the cost of maintaining a range of employer-paid benefits for state employees such as social security, retirement (PERSI), and health insurance.

**Inflationary Adjustments:** Agencies are directed to request an increase in their operating and trustee/benefit expenses to address higher, inflation-driven costs. Inflation requests are individualized for the agency.

**Statewide Cost Allocation:** These adjustments identify costs for services for the State Controller, State Treasurer, Attorney General, rents for state buildings, and risk management fees to the Department of Administration.

**Annualizations:** This budget component identifies full-year costs for budget items which were partially funded in the prior year.

**Change in Employee Compensation:** This decision unit identifies the costs of increases in salaries and variable benefit costs for classified and exempt state employees.

**Non-discretionary Adjustments:** Limited to increases in service group populations such as student enrollment in public schools and higher ed, inmate growth in county jails and out-of-state placements, Medicaid caseload, inflationary, and usage, and caseload increases in child and adult protection.

## Benchmark 5



**FY 2008 Maintenance of Current Operations (MCO):** MCO includes an agency's Base budget plus the appropriate "maintenance" adjustments that may be required to maintain current service levels. This level of funding does not support the expansion of existing programs or the addition of new programs.

*Line Item  
Decision Units  
for next year*

**Line Items:** These decision units, listed in priority order, reflect an agency's desire to either add new program elements, expand the scope of existing services, respond to changing circumstances, or meet demographic increases in service populations not allowed under Non-discretionary Adjustments.

## Benchmark 6



**FY 2008 Total Appropriation:** The total funding appropriated for the coming fiscal year, that will begin on July 1, 2007 and end on June 30, 2008. It includes an agency's Base budget plus any maintenance adjustments to support current service levels plus any authorized line items to expand service levels or add new services.